



CALPEEK

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CAMPAIGN 2002: SIMON PLAYING DEFENSE ON TAX RETURNS. SHOULD HE HOLD OR RELEASE THEM??

Editor's note: Between the S.F. Chronicle and the L.A. Times plus some other dailies, L.A. businessman and GOP candidate for governor Bill Simon Jr. is getting pounded and hounded over his refusal to release his Federal and Calif. income tax returns. Here's our analysis & commentary...

...There's good news and bad news for Simon over these continuing series of stories about his refusal to make public his tax returns. *Good news* first: Calif. voters are not focused at all on the Nov. 5th general election. The *bad news*: despite the fact that voters aren't focused on this Davis vs. Simon race, it's pretty hard to ignore all of these stories. If Simon has still not disclosed his tax returns by Labor Day, bet your first born *Team Davis* will blast him in tv ads. Simon's new counter-proposal: he'll release his returns IF he's elected. Pigs don't fly and neither will this...

...The release of tax returns is not an issue limited to rich GOPers, but for some reason they seem to have problems with this. Remember U.S. Senate candidate Michael Huffington who ran against U.S. Sen. Dianne Feinstein(D) in 1994? He wouldn't release his tax returns either and his campaign said the same thing which *Team Simon* is now saying: *they have released all the info required by law*. The disclosure of tax returns is *NOT* required by law, but most candidates in Calif. running for high profile office release their tax returns to assure voters that everything is on the up & up. DiFi's consultant Bill Carrick said, "If you don't release your tax returns, the perception is you're hiding something." Carrick hit Huffington for his refusal to release his taxes in all of Feinstein's tv ads...

...Here's another case, only it involved former Lt. Gov. Leo McCarthy(D) who ran against GOP U.S. Sen. Pete Wilson in 1988. Wilson was quick to release his tax returns, but for some reason McCarthy wouldn't. According to Calpeek sources, McCarthy's refusal to release his tax returns was an ongoing problem in his campaign. GOP gubernatorial candidate Dan Lungren released his tax returns in 1998, but Bruce Herschensohn running against U.S.

Sen. Barbara Boxer(D) in 1996 refused...

...FYI: So why won't Simon go public? 3 possible reasons (and just guess work on our part): 1) He may not want to reveal asset sales. 2) Simon may not want to reveal his charitable contributions – some of the non-profits may also be controversial. And 3) He may not want to reveal the extent of his gross CA income tax – which could have been reduced dollar-for-dollar by credits for income taxes he paid to *other States* from income derived by activities in those States. If in fact Simon got a good portion of his income from out-of-state sources it raises a whole series of issues for someone seeking to be governor of Calif. Stay tuned...

WAR ON TERROR: IN L.A. SPEECH, EHUD BARAK PREDICTS A LONG FIGHT AGAINST TERRORISM.

Editor's note: Foreign policy is not something Calpeek writes about often, but this past week former Israeli Prime Minister Ehud Barak was in L.A.(4/22), speaking at the Univ. of Judaism's 2002 *Public Lecture Series* at the Universal Amphitheatre. Too bad L.A.'s mainstream news media didn't cover Barak's speech. Here's our analysis and commentary...

...Barak's message wasn't very optimist. Put bluntly, Barak said the U.S., Israel and the rest of Western civilization are at war with terrorism. "It will be a long struggle. There will be setbacks and many innocents will be lost," he said. "Nothing can be taken for granted. If terrorists get their hands on a small-sized atomic bomb, they'll use it. There is a clear choice: we destroy terror or be destroyed by it," he said...

...A good portion of Barak's speech was devoted to the ongoing struggle with Yasser Arafat and his *Palestinian Authority*. Barak said Arafat's refusal to sign the Camp David accord hammered out by former Pres. Bill Clinton in late 2000 unmasked Arafat for what he really is: a terrorist. Shortly after Arafat walked away from Camp David, Barak said the Palestinian leader met with the President of Indonesia – and during that meeting Arafat said his intent was "to push them (Israelis) into the sea."...

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...As to why Arafat walked away from the Camp David accord, Barak agreed with an earlier assessment made by Pres. Clinton (speaking to this same forum on 1/14/02). Clinton gave 3 reasons: 1) Arafat was holding out for more concessions; 2) Arafat was afraid that if he signed a deal he would be murdered by Palestinian extremists; and 3) Arafat never intended to sign a deal with Israel. Barak thinks point #3 is the most valid. "Arafat loves to play the part of a *walking victim*." Barak said when Arafat walked away from Camp David, he left on the table 95% of what he wanted AND would have gotten 90% of the land in the West Bank and 100% of the land in Gaza...

...Is there a solution? Not in the short term. Barak said Israel already has a guarded fence around Gaza and suggested that Israel may have to invest in a unilateral security zone by fencing off the West Bank from the rest of Israel. This probably would require that many of the Israeli West Bank settlements be abandoned. How effective would this be? Barak said there have been few homicide bombings coming from Gaza – so this could work...

...Turning to Iraq, Barak's comments were like *manna* to U.S. *neo cons* who have been pushing Pres. George Bush to finish off Saddam Hussein. "There is no way to establish a new world order with Hussein still in power," Barak said...

...FYI: A little political update. Who are the Neo Cons (new conservatives)? Included are George Will, Bill Kristol, Charles Krauthammer, Bill Bennett, Jean Kirkpatrick, Richard Perle, Ben Wattenburg, Frank Gaffney Jr. and Paul Wolfowitz. Some of the Neo Cons are really lapsed former Demos who are hardline internationalists. Their hero, in terms of foreign policy, was Ronald Reagan (who destroyed the "Evil Empire"). They didn't especially like it when Bush Sr. didn't finish off Saddam and that's why they're pushing Bush Jr. go after Iraq as part of this War on Terrorism. Stay tuned...

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ENERGY BILL'S KEY ALASKA OIL DRILLING PLAN IS KILLED IN U.S. SENATE, BUT IS NOT TOTALLY DEAD.

Editor's note: Even though backers of President George W. Bush's plan to drill for oil in Alaska's Arctic Nat'l Wildlife Refuge (ANWR) lost round one in the U.S. Senate April 18th, the ANWR proposal isn't totally dead – not just yet. Here's our brief update & analysis...

...The reason Pres. Bush's team didn't win this key ANWR vote, according to Calpeek sources, is that his White House team was inept at working this bill in the U.S. Senate. There was a filibuster by the Demos against this section of the energy bill and it took 60 votes to close off debate. The White House could get only 46. Both of Calif.'s U.S. Senators, Barbara Boxer and Dianne Feinstein, voted with the 43 other Demos + 8 GOP defectors + Jeffords of Vermont...

...And while ANWR may be dead in the U.S. Senate version of Bush's energy proposal, it's alive in the U.S. House version of the energy bill (approved last year) – where the White House had more success. Assuming the Senate passes some kind of energy bill, when it hits a joint House/Senate conference committee, there's always a chance the ANWR drilling plan could be revived. And if that happened, the White House would have a second chance to lobby the 8 GOPers who jumped ship, including John McCain of AZ...

...The White House spin is that Alaskan drilling is needed as part of a larger plan to wean the U.S. off importation of foreign oil (read that as Middle Eastern oil). A recent Fox News survey (Opinion Dynamics, Apr. 2-3, 900 nationwide voters) shows 63% think the current Israeli-Palestinian conflict will lead to a new Arab oil embargo...

...Since it would take 6-8 years before ANWR oil could be online, a quicker energy fix is conservation (increasing auto and SUV mileage requirements). Unfortunately, that idea is DOA too. One of the problems with ANWR is that experts really don't know how much oil is there: estimates run from 6 billion to perhaps as much as 16 billion barrels. Iraq's oil reserves are about 99.7 billion barrels. Overall U.S. reserves are 22.5 billion...

...ANWR is about 60 miles east of Prudhoe Bay – which is the largest oil field in North America. 10 billion barrels have been produced there thus far. All of this crude oil now comes directly to the West Coast (no more Alaskan oil to Japan). Just as a point of comparison, the Elk Hills Oil Reserves near Bakersfield (operated by Occidental Petroleum) probably has 420 million barrels of oil in reserves. Occidental purchased its share of Elk Hills in '97 for \$3.5 billion...

...FYI: Feinstein won't vote for any energy bill which mandates a tripling of ethanol in gasoline. Calif. currently uses MTBE to make gasoline burn cleaner, but MTBE can leak into the soil and contaminate the ground water. Calif. is in the process of switching to ethanol by the end of 2003. Even so, DiFi wants the ethanol provisions of the energy bill killed or amended. That's won't happen. DiFi says that tripling the amount of ethanol in gas amounts to a *hidden tax* which could cost Calif. drivers 10 cents per gallon. Stay tuned...

CAMPAIGN 2002: AN EARLY LOOK AT S.F. COUNTY SUPERVISOR RACES. EVEN NUMBERED SEATS UP.

Editor's note: In the last election where S.F. Co. Supervisors were on the ballot, all 11 ran in new districts. This coming Nov. 5th, only 3 of 5 incumbents from even numbered districts will face voters. It's more than likely that 8th District Sup. Mark Leno and 4th District Sup. Leland Yee will be elected to the CA State Assembly. Here's our brief update & analysis...

...As a whole, this current Board of Supervisors in San Francisco is very anti-establishment, very left leaning and as a group they certainly don't like current S.F. Mayor Willie Brown Jr. In the last election, Brown and the candidates for supervisor that he supported were pretty much destroyed by Bd. of Sup. Chair Tom Ammiano and his allies. S.F. has gone through redistricting and the new lines are now in place...

◆ **District #2** – Incumbent Gavin Newsom is seen by *Calpeek* sources as having a lock on reelection...

◆ **District #4** – This is Leland Yee's OPEN seat. At least 5 confirmed running here: Ron Dudum, Arab-Amer. activist; real estate/businessman Ed Jew; Marks Lam; Andrew Lee; Burton aide Fiona Ma; and Joel Ventresca. Jew's campaign is being run by consultant Jim Stearns and Jew is Yee's guy + Sup. Tony Hall...

◆ **District #6** – Incumbent Chris Daly is young, tough and at times has been known to utter a few profanities. He absolutely crushed Brown's candidate Chris Dittenhafer in his first run for office and his relationship with the mayor isn't cozy. Daly is hated by the S.F. establishment, but he's built a solid following. Sources believe he will eventually get a strong challenge...

◆ **District #8** – This is Mark Leno's OPEN seat. Some well known names running here. Eileen Hansen ran last time and nearly upset Leno; Irene Agnos, sister of former Mayor Art Agnos; Medea Benjamin, Green Party candi-

date for U.S. Senate; BART Board Director Tom Radulovich; and Bevan Dufty, a former Brown aide...

◆ **District #10** – Incumbent Sophie Maxwell may have Linda Richardson to deal with once again. Richardson finished ahead of Maxwell the first time they ran, but Maxwell won the runoff. Also looking is Marie Harrison, who ran once before; and Robert Chan. Stay tuned...

CAMPAIGN 2002: UPDATE ON U.S. HOUSE CONTESTS.

Editor's note: Here's another update on several Calif. U.S. House contests...

☒ **45th CD** – This is the Palm Springs/Riverside Co. district of U.S. Rep. Mary Bono(R), who was first elected in a special election in April of 1998 after the death of her husband, the late Congressman Sonny Bono. Mary Bono was reelected later that year and again in 2000. In the primary Bono had no GOP challenger and got 42,716 votes. Her Demo opponent is Elle K. Kurpiewski, a flight attendant who is the legislative chair for the So. Calif. Assn. of Flight Attendants. She also had no primary rival, but got only 24,395 votes. This CD has a 46.7%(R) vs. 37.23%(D) registration, thus it's out of reach for the Demos. In terms of warchests, Bono had \$205,130 cash on hand (2/13/02) vs. \$13,757 coh for Kurpiewski. At this point Bono is a solid favorite for a 3rd full term...

☒ **23rd CD** – This is one of the few Calif. districts where GOPers think they have a shot at an upset. And it would be an upset if Beth Rogers, who lists her occupation as farmer/anthropologist, were to unseat U.S. Rep. Lois Capps(D-Santa Barbara) now seeking for her 3rd full term. Like Bono, Lois Capps was first elected in a March 1998 special after the unexpected death of her husband, the late Congressman Walter Capps. She was reelected in '98 and 2000, defeating GOP rivals by good-sized margins. In the primary, Capps' total vote was 2,416 more than the combined Republican vote and she won both Santa Barbara and Ventura counties, while losing in San Luis Obispo by 1,400+ votes. In terms of registration, Capps has a 13-pt. advantage: 45.03%(D) vs. 32.50%(R). As for warchests, it's \$496,197 coh for Capps vs. \$39,605 for Rogers (as of 2/13/02). Again, at this point, Capps is viewed as the favorite, but this contest will go on *Calpeek's* watch list. Stay tuned...

THE PRICE OF CALPEEK WILL GO UP NEXT YEAR

It should not come as any surprise with the cost of 1st class postage going up from 34 cents to 37 cents in June that *Calpeek* will raise its base price of \$90 in 2003. We've been through at least 6 postage rate hikes without increasing our base price. We'll probably raise the price by \$5. Stay tuned.

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **LAPD Chief Parks Retiring** – LAPD Chief Bernard Parks won't file legal action against the City of L.A. for refusing to extend his contract another 5 years. He'll officially retire the week of April 29th and has said he'll probably run for the 8th Council District (Mark Ridley-Thomas' seat) next year when it is vacant. Parks would be a slam dunk favorite to win this seat. What does all this mean for State Assemblyman Rod Wright(D-48) who planned to run here too??? Not good news...

■ **\$2.1 Billion Housing Bond on Ballot** – Gov. Gray Davis(D) has signed SB 1227 (Burton) to place a \$2.1 billion housing bond on the Nov. 5th ballot. Major elements of this bond include \$910 million for multi-family housing programs; \$200 million for the Joe Serna Jr. farm workers housing grant program; \$205 million for the CalHome program; and \$290 million for the Calif. Housing Finance Agency's Homebuyer Downpayment Assistance Program...

■ **L.A. Secessionists Hire Consultant** – The campaign to split the San Fernando Valley away from the city of L.A. will be run by the Sacto office of Goddard Claussen/Porter Novelli. GC/PN will also handle the campaign to split Hollywood from L.A. Wonder whose paying for this???

■ **The Parsky Watch Email Site** – Haven't heard who is behind this email site (www.parskywatch@hotmail.com) but it's not likely to make Bush's go-to guy in Calif. Gerald Parsky a happy camper. The first installment leads with the headline: *Is Gerry Parsky Fit to Lead the CA Republican Party?* Hummm...

■ **Papan's Indep. Expenditure Bill** – AB 3051 by Lou Papan(D-San Mateo) passed in an Assembly E&R policy committee vote (4/16), but the bill cracking down on pre-recorded telephone campaign messages paid for by independent expenditure committees was heavily amended. The bill requires that IE telephone message include the names of the two largest contributors, but a \$1 million fine for making false claims in these messages was killed...

■ **Calif. Handgun Sales Drop** – According to Calif. AG Bill Lockyer(D), only 155,203 handguns were sold in Calif. during 2001 – a drop of 23.1% from 2000. Long gun sales also dipped in 2001. Interestingly, in the 6 week period following 9-11, firearms sales in Calif. average 9,200 per week vs. 7,000 per week during the same period in 2000.

Of all the 354,202 sales of handguns and long guns, 3,607 were denied by the CA DOJ because the buyer had a criminal record, was wanted, was the subject of a restraining order or had mental health problems...

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● Alton Garrett has joined U.S. Sen. Barbara Boxer's staff as a rep in the Inland Empire (909)888-8525...

● Hans Geiger, a former sr. producer at Goddard-Claussen in L.A., has opened his own tv/radio production firm called Duality, specializing in political ads. Phone (310) 418-3625...

● L.A. Sup. Court Judge Debra W. Yang has been confirmed as the new U.S. Atty. in L.A. and the 6 surrounding So. Calif. counties...

● P/A exec. John Stodder Jr. has been hired as a Sr. VP and director of P/A at the L.A. office of Fleishman-Hillard. Stodder had been with Edelman PR in L.A...

● Goddard-Claussen/Porter Novelli has closed its Roseville office and has consolidated its Capital operation at 1215 "K" Street, Ste. 2150, Sacto 95814...

● Political/campaign law attorney Jeff Langan has opened a 2nd law office in Orange Co. at 668 N. Coast Highway, Ste. 242, Laguna Beach, CA 92651. (949) 464-9251. Langan's other office is in L.A...

● Gov. Davis has named Patricia Garamendi as Asst. Sec. of Internat'l Trade & Investment for the Technology, Trade & Commerce Agency...

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